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IN THE

Supreme Court of the United States

KSR INTERNATIONAL CO.,

Petitioner,

v.

TELEFLEX INC. AND TECHNOLOGY HOLDING CO.,

Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF OF PRACTICING PATENT ATTORNEYS AS *AMICI CURIAE* IN SUPPORT OF RESPONDENTS

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Interest of *Amici Curiae* Practicing Patent Attorneys

This brief is filed with the consent of the parties[1] on behalf of Teleflex, Inc., and Technology Holding Co. The *Amici Curiae* Practicing Patent Attorneys, who have extensive experience in both U.S. and foreign patent practice, believe that the United States has, by far, the best patent system in the world, and we would like to keep it that way. The Practicing Patent Attorneys are concerned that the current objective evidentiary standard for showing obviousness under 35 U.S.C. § 103, as set forth by the Federal Circuit, may be overturned. It is our opinion that the current evidentiary standard, which requires a showing of some suggestion, teaching, or motivation to combine prior art references to render an invention obvious, is an objective, workable and predictable standard that makes the best utilization of evidence to judge the validity of patents.

I. Summary of Arguments

Every patent system includes a few patents on inventions that are unworthy of patent protection ("unworthy patents"). From our practical experience, the current test for obviousness that has been established by the Federal Circuit is not the cause for the issuance of unworthy patents. Our observations are that an occasional improper application of the current test for non-obviousness, not the test itself, is a primary cause for such unworthy patents. The issue of obviousness is almost always raised during the prosecution of patent applications and is therefore the most important issue with respect to patentability. As such, it is our opinion, that a change in the current objective

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[1] The parties' blanket letters of consent have been filed with the Clerk in compliance with Rule 37.3. In compliance with Rule 37.6, this brief was not authored in whole or in part by counsel for any party. No person or entity other than the *amici* made a monetary contribution to the preparation or submission of this brief.

standard of obviousness to a less certain, more subjective standard, or to a stricter standard for obtaining patents, would have far-reaching, undesirable effects. As explained below, both a less certain standard or a heightened standard would clearly weaken the U.S. patent system. Adopting a stricter standard will not rid the patent system of unworthy patents, which will exist under all standards, but rather, will alter the extensive entrepreneurial, risk-based investment structure that fuels innovation and invention development that we have witnessed in the U.S.

II. Practical Experience of *Amici Curiae* Practicing Attorneys

The *Amici Curiae* Practicing Patent Attorneys have over 185 years of cumulative practical experience in the practice of patent law. The *Amici Curiae* Practicing Patent Attorneys have worked as patent examiners and officials in the U.S. Patent and Trademark Office, in large corporations, large law firms, small law firms, government laboratories, and have represented large corporations, as well as individual inventors and small companies. The Practicing Patent Attorneys have practical experience in all phases of patent practice including the preparation and prosecution of patent applications before the United States Patent and Trademark Office and many foreign patent offices, counseling clients with respect to patent matters, prosecuting, defending and functioning as experts in patent infringement cases, preparing opinions relating to validity and infringement of patents, and licensing of patents, trade secrets and know-how. In addition, the Practicing Patent Attorneys work with inventors to obtain funding from private investors tc develop their inventions. The Practicing Patent Attorneys have dealt with thousands of patent applications and patents in their careers, and have real life

practical experience in dealing with all aspects of patent practice, including both U.S. and foreign practice. The Practicing Patent Attorneys have practiced long enough to have witnessed the results of both a strong patent system and a weak patent system. We have observed that a strong patent system, such as our current system, encourages innovation and technological development.

III. Arguments

A. Certainty is Provided by the Current "Suggestion, Teaching or Motivation" Standard for Obviousness that has Led to a Strong Patent System in the U.S.

1) The Current Standard

In *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), the Court established a three-pronged test for obviousness, i.e., a determination of 1) the scope and content of the prior art; 2) differences between the prior art and the claims at issue; and 3) the level of ordinary skill in the pertinent art. Objective indicia of obviousness can be used to show non-obviousness, including secondary considerations such as commercial success, failure of others, copying by others, licensing and skepticism of experts. *U.S. v. Adams*, 383 US 39, 148 USPQ 479 (1966) decided with *Graham v. John Deere*, *supra*, provided a further test for non-obviousness, i.e., an invention is non-obvious if the prior art "teaches away" or otherwise "deters investigation" in the invention. With these guidelines and rules, the Court of Customs and Patent Appeals and the later formed Court of Appeals for the Federal Circuit developed a requirement that a "suggestion, teaching or motivation" for combining prior art references must be shown to establish a *prima facie* case of obviousness. *See, e.g., ACS Hosp. Sys., Inc. v. Montefiore Hosp.*, 732 F.2d 1572, 221 USPQ 929 (Fed. Cir. 1984) (holding "suggestion or incentive"); *In re Geiger*, 815 F.2d

686, 2 USPQ2d 1276 (Fed. Cir. 1987) (holding "teaching, suggestion, or incentive"); *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992) (holding "reason, suggestion, or motivation"); *and In re Raynes*, 7 F.3d 1037, 28 USPQ2d 1630 (Fed. Cir. 1993) (holding "teaching, suggestion, or motivation").

The requirement for establishing a *prima facie* case of obviousness is an effective procedural tool that is used in the examination of patent applications in the U.S. Patent and Trademark Office, which allocates the initial burden of going forward with evidence of obviousness to the patent examiner. The allocation of the initial burden on the Patent Office is consistent with 35 U.S.C. § 102 that provides "[a] person is entitled to a patent unless...". To establish a *prima facie* case of obviousness, the examiner must meet three criteria. First, there must be some suggestion, rationale, or motivation to combine the collective teachings contained in the prior art to show all of the elements of the patent applicant's claimed invention, either in the references themselves, or in the knowledge generally available to one of ordinary skill in the art. There must also be a reasonable expectation of success. The expectation of success must also be found in the prior art and not based on the patent applicant's own disclosure. The requirement for providing a *prima facie* case of obviousness provides a reliable and predictable structure in which a determination of obviousness can be made. Establishing a *prima facie* case eliminates consideration of the teachings of the patent applicant's disclosure as evidence of obviousness, which has been referred to as "impermissible hindsight." In that regard, the Federal Circuit has stated that the best defense against the subtle, but powerful, attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the suggestion, teaching or motivation to combine prior art references.

The courts have realized that it is human nature to use hindsight in the consideration of obviousness. In other words, for many inventions, once you see the invention, it appears obvious. The courts have struggled with the issue of hindsight for many years. The adoption of the suggestion, teaching or motivation test to combine references has been the result of many years of consideration of this issue. Further, the adoption of the suggestion, teaching or motivation test has resulted in a clear and objective test that eliminates hindsight. The Practicing Attorneys are unaware of any other tests in the U.S. or in other countries that objectively consider the issue of hindsight. Application of the synergy test certainly does not eliminate impermissible hindsight. The seductive nature of hindsight can be dealt with in an objective and predictable manner using the suggestion, teaching or motivation test. Hence, the requirement for showing a suggestion, teaching or motivation to combine references has been the most objective way to eliminate impermissible hindsight.

Having well-formulated, objective criteria for evaluation of the patentability of inventions from evidence that is available to both patent applicants and patent examiners, such as the requirement for showing a suggestion, teaching or motivation to combine the collective wisdom found in the prior art, leads to stronger issued patents. Applicants can perform prior art searches before filing patent applications and determine from the evidence produced in the search whether the prior art shows a suggestion, teaching or motivation to combine prior art references. Hence, patent applicants are less likely to file applications which clearly do not meet the known objective criteria for determining non-obviousness.

2) Other Standards Have Been Used that are Too Stringent and/or Do Not Provide Certainty

Non-obviousness standards based upon less objective criteria have been tried by the courts without success in the past. For example, subjective tests such as whether the inventive combination produced a "new or different function" that resulted from a "flash of genius" or that achieved "an unexpected result" or a "synergistic result" have been used. *See, e.g., Funk Bros. Seed Co. v. Kalo Innoculant Co.*, 333 U.S. 127, 76 USPQ 280 (1948) (where a patent for the combination of multiple bacteria strains that inoculated multiple types of legumes was held invalid because it "was not the product of invention" despite an established showing of commercial success and long-felt need) *and Great Atl. and Pac. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 87 USPQ 303 (where a patent for a combination of mechanical elements acknowledged as a "good idea" that produced "more striking" results was held invalid despite a showing of "commercial success" and a "long-felt want"). The Supreme Court has historically experimented with these tests for non-obviousness, but has definitively chosen to apply the three-pronged test of *Graham, supra.*

Application of these heightened tests would weaken the patent system. A stronger patent system allows for protection of worthy inventions regardless of the manner in which they have been created. In a weak patent system, freeloaders can reap the benefit provided by the innovators and investors in technology. A fundamental precept of a capitalistic society is that people should be able to profit from their innovation. A strong patent system is necessary to allow people to profit from research and development that leads to innovative products and processes.

3) Subjective Tests Shift the Burden of Going Forward and the Requirement that the Examiner Must Establish a *Prima Facie* Case

If a subjective test is adopted by the Court, Examiners in the U.S. Patent and Trademark Office will simply assert that an invention is obvious without performing a thorough analysis of all the evidence and fact-based criteria that must be considered when making a non-obviousness determination. For example, if a synergy test is adopted as the standard for obviousness, the Examiner will simply argue that, absent a showing by applicant of unexpected results, a combination of references showing the existence of all claimed elements *per se* renders the claimed invention obvious. The burden of going forward with the evidence of non-obviousness will then shift to the patent applicant to demonstrate non-obviousness through submission of evidence of secondary or objective indicia of non-obviousness considerations. The applicant is then faced with trying to prove a negative, i.e., that the Examiner's conclusion based on a presumption of obviousness is wrong. Applicants will be forced to introduce evidence to counter the Examiner's bare conclusion that is based on a presumption of obviousness without a complete analysis of all factual underpinnings that are required to be evaluated to ascertain whether the claimed invention would have been non-obvious based on the statute and Supreme Court law. Objectivity in the determination of obviousness disappears when the courts and the U.S. Patent Office are left with the prospect of simply balancing conclusions without considering all the underlying facts that need to be evaluated to support such conclusions. This is precisely why the standards used prior to adoption of the objective test of showing a suggestion, teaching or motivation to combine references failed. Opinions that do not consider and weigh all relevant facts will always vary, but application of an

objective test that is based upon evidence provides a structure and process for considering obviousness with a high degree of certainty.

A shift in the burden of going forward with evidence of non-obviousness would also slow the process of technical development in the U.S. It was recognized by the writers of the U.S. Constitution that a patent system should exist for the purposes of "promoting the progress of science and the useful arts." U.S. Const. art. I, § 8. The writers of the U.S. Constitution understood that technological innovation for the benefit of society could be advanced through the Contract Theory of Patents. The Contract Theory of Patents is based upon the concept that the publication and dissemination of technical information for the benefit of society to learn from and improve upon can best occur by providing exclusive rights to inventors for a period of time if the inventors disclose their inventions in patents, rather than keeping their inventions secret. The disclosure of inventions allows others to understand these advancements so that additional improvements can be made that are based upon the inventions that are disclosed in the patents. The current evidentiary and procedural rules that have been established by the courts and the U.S. Patent and Trademark Office, such as the requirement for establishing a *prima facie* case of obviousness encourage early disclosure of inventions and provide an objective standard for patentability that we, as experienced practicing patent attorneys, have observed as clearly promoting "the progress of science and the useful arts" and fulfilling the Contract Theory of Patents.

4) A More Stringent Standard of Patentability Will Not Result in Fewer Unworthy Patents.

There are many reasons for the issuance of unworthy patents that this brief does not attempt to address. From our observations, those reasons are generally not related to the

current standard for patentability, but rather, primarily from a failure to properly apply the suggestion, teaching, or motivation test and other tests for determining non-obviousness. A well developed and defined standard that uses objective evidence, rather than hindsight, allows applicants, the U.S. Patent and Trademark Office, and the courts to objectively determine patentability. In our experience, the fewest number of unworthy patents exist under such a well-defined system, such as our current system, if the objective criteria are properly applied. Certainly, under our current objective standard, unworthy patents can be readily identified.

B. The Effect That a Weak Patent System Would Have on Innovation in the U.S. as a Result of the Adoption Of An Uncertain Standard or a Heightened Standard for Determining Non-Obviousness

1) The Strong U.S. Patent System Fuels Innovation in the U.S.

In our experience, the U.S. patent system has become substantially stronger in the past 25 years because patents are no longer being held invalid for obviousness on a routine basis as a result of the application of a standard that is either too strict or too subjective, as was the case for decisions from the various federal circuit courts of appeal prior to the formation of the Court of Appeals for the Federal Circuit. As practicing patent attorneys, we have observed a great degree of interest by both small companies and large corporations in obtaining patent protection, which has grown geometrically since the establishment of the Court of Appeals for the Federal Circuit. A belief by inventors, as well as business people, that a strong patent system exists in the U.S., has resulted in a large increase in the filing of patent applications. The establishment of the Court of

Appeals for the Federal Circuit, which has applied a uniform and objective standard for determining obviousness that is not too strict, is a significant reason why this beneficial result has occurred. The filing of patent applications has increased and the resultant disclosure of technology to the public has further spurred innovation. Adoption of a less certain standard or a stricter standard would adversely impact the very beneficial results that the patent system has produced in the last 25 years.

2) Investment Money to Develop Inventions Has Been Available as a Result of a Strong Patent System

In our experience, money to develop inventions has primarily been provided by private investment funds, rather than government funding. This has been especially true in the biotechnology industry, as well as most emerging high technology industries. There are currently many private investors that are willing to risk money on the development of technology that has been patented, or has some assurance of being patented, under our current objective and predictable standard. These private investors perform careful risk/reward analyses before investing. A change in the standard of obviousness that provides a less certain standard or a more stringent standard would alter that risk/reward analyses and substantially less investment would occur in the development of technology.

3) Innovation Will Suffer From a Weaker Patent System

If businesses cannot be reasonably advised as to the certainty of obtaining or maintaining a valid patent because a less certain standard is adopted by the Court, innovation will clearly suffer. Similarly, if businesses cannot be assured of

obtaining a patent because a stricter standard of patentability is adopted, patent applications will not be filed. In both cases, companies will attempt to maintain their inventions as trade secrets, slowing the disclosure of technology and defeating the very purpose of the patent system, i.e., to encourage inventors to disclose inventions. Large companies will not file patent applications and disclose newly developed technology, but rather, will use their market power to steamroll over small companies that try to compete. Without a strong patent system, small companies have little chance of success.

C. Disruption Will Be Created by a Change in the Standard of Obviousness

As a practical matter, a change in a standard of patentability will alter the economic structure of a substantial number of license agreements, including cross-license agreements between large companies. Business strategies will have to be altered as a result of the necessary modification of patentability and infringement opinions. The investment of capital in new technology will have to be reassessed, which has a potentially large adverse effect on the U.S. economy. The scope of the adverse effect of such a change is uncertain, but would be clearly far reaching with respect to both the U.S. patent system and the U.S. economy.

IV. Conclusion

U.S. patent law has been carefully developed by trial and error over approximately the past 200 years. The U.S. has the best and strongest patent system in the world. One of the reasons why the U.S. patent system is the best is that it relies upon objective evidence of patentability. Objective evidence of patentability results in predictability and certainty. A change to a more stringent standard of patentability will create a weaker patent system that will

slow innovation. Adoption of either a less certain standard or a more stringent standard of patentability will cause legal and economic disruption, as well as a disruption in the economic structure of innovation and new product development in the United States. A new standard of patentability will not result in fewer unworthy patents since the current standard is not the reason why unworthy patents exist. The fewest number of unworthy patents exist in an objective, well defined system for determining patentability, such as our current system, which should not be changed.

Respectfully submitted,

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